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MINISTRY OF COMMERCE AND CONSUMER INDUSTRIES

NOTIFICATION

New Delhi, the 29th December, 1956

S.R.O. 3187.—The following draft of certain further amendments in the By-laws of the East India Cotton Association which the Central Government proposes to make in exercise of the powers conferred by sub-section (1) of Section 12 of the Forward Contracts (Regulation) Act, 1952 (74 of 1952) is published as required by sub-section (4) of the said Section for information of persons likely to be affected thereby; and notice is hereby given that the said draft will be taken into consideration on or after the 8th January, 1957. Any objections or suggestions which may be received from any person through the Secretary, Forward Markets Commission with respect to the said draft before the date so specified will be considered by the Central Government.

Draft Amendment

In the said By-laws—

I. In By-law 52B—

- (1) in clause (IV) for the words, figures and letters "By-laws 55, 55A and of By-law 61(4) (b) (ii)" the words, figures and letter "By-law 55 and of By-law 61(4) (b) (ii)" shall be substituted;
- (2) for sub-clause (b) of clause (V) the following shall be substituted, namely:—

"(b) If the cotton tendered is other than basic cotton, then the following provisions shall apply:—

If the Spot price of basic cotton fixed as aforesaid is less than the spot price of the particular description of cotton tendered fixed as aforesaid, the buyer, on taking the cotton, shall be entitled to a discount of 12½ per cent of such difference and 12½ per cent of the "on" allowance for staple of the particular description of cotton tendered as fixed under this By-law. If the spot price of basic cotton fixed as aforesaid is greater than the spot price of the particular description of cotton tendered fixed as aforesaid, the buyer, on taking the cotton shall be entitled to 12½ per cent of such difference and 12½ per cent of the "off" allowance for staple of the particular description of cotton tendered as fixed under this By-law".

II. In By-law 53—

- (1) the existing paragraphs shall be numbered (1) to (10) respectively.
 (2) for paragraph (2) as so numbered the following shall be substituted, namely:—

“(2) The basis of Fine Jarilla Contract shall be Fine M. G. Madhya Pradesh Jarilla staple 25/32” as per standard to be prepared from Virnar (197/3) cotton grown in Madhya Pradesh, tenderable upto two classes ‘on’ and one class ‘off’ for grade and upto 2/32” ‘on’ for basic Madhya Pradesh Jarilla and other descriptions, excepting for M. G. Moglai Jarilla in respect of which 1/32” ‘on’ and 1/32” ‘off’ for staple, values ‘on’ and ‘off’ for grade and ‘on’ and ‘off’ for staple, except in the case of M. G. Moglai Jarilla, M. G. Dhollera, and M. G. Rajasthan American, which with basic staple 3/4” shall have no ‘off’ value for 1/32” staple”;

- (3) after paragraph (6) the following shall be inserted, namely:—

“(6A) Black leaf and stained cotton standard”;

- (4) after paragraph (7) the following shall be inserted, namely:—

“(7A) Stained cotton below the standard for black leaf and stained cotton shall be rejected”.

III. In By-law 55—

- (1) in item (b) for the words, letters, figures and brackets “upto 25/32” for M. G. Jarilla (B)”, the words, letters and figures “upto 25/32” for M. G. Moglai Jarilla” shall be substituted; and for the words, letters, figures and brackets “upto 27/32” for Basic Jarilla (A)” the following words, letters, figures and brackets shall be substituted, namely:—“upto 27/32” for Basic M. G. Madhya Pradesh Jarilla, M. G. Khandesh, Virnar (197/3); and M. G. Madhya Bharat Jarilla”;

- (2) in item (c) for the words and letter “Jarilla (B)” the words “Moglai Jarilla” shall be substituted;

- (3) for the last sentence of the penultimate paragraph the following shall be substituted, namely:—

“The Special Committee and in the case of appeal, the Board, shall fix the tendering differences, taking into account the spot prices of the respective descriptions of cotton in the interior markets, in the following manner:—

- (a) premia or discounts for descriptions of cotton tenderable other than basic cotton, on the basis of the prices at which the basic and other descriptions of cotton tenderable are sold in the Bombay Spot Market;
- (b) “on” allowances for staples of 1/32” and 2/32” above the staple lengths specified in Column (2) of the Hedge Schedule, on the basis of the prices at which the description of the basic staple and the higher staples of the same description are sold in the Bombay spot Market;
- (c) “off” allowances, except for M. G. Moglai Jarilla, Dhollera Rajasthan American, for staples of 1/32” and 2/32” under the lengths specified in the Hedge Schedule, on the basis of the prices at which the description of the basic staple and the lower staples of the same description are sold in the Bombay Spot Market;
- (d) “Class” differences on the basis of the differences fixed by the Daily Rates Committee.”

IV. By-law 55A shall be deleted.**V. In By-law 61—**

- (1) in clause (3) the words, figure and letter “subject to the application of By-law 55A” shall be deleted;

(2) in clause (4)—

- (a) the words, figure and letter "subject however, to the provisions of By-law 55A" shall be deleted;
- (b) after sub-clause (b) the following shall be inserted, namely:—
 - "(c) the cotton tendered is held to be inferior to the black leaf and stained cotton standard".

VI. After By-law 85B the following By-law shall be inserted, namely:—

"85C—Allowance for stained cotton and standards:—

Cotton containing yellow stains, if equal to the standard in all other respects, and also if equal to the standard for black leaf and stained cotton, shall be tenderable against a Hedge or Delivery Contract with a special "off" allowance not exceeding the allowance that may be fixed by the Board in that behalf from time to time. Within the maximum so fixed a special allowance shall be fixed in arbitration according to the proportion of stains.

The "off" allowance in respect of stained cotton shall not be counted with any other allowance or allowances for purposes of rejection.

In the case of contracts made for sale of cotton on stamped bales or on types, cotton with yellow stains, if equal to the standard in other respects, shall in the absence of stipulation in the contract to the contrary, be tenderable with the said "off" allowance if so fixed".

VII. In By-law 128 in clause (1) for the words "Hedge and Delivery Contracts" the words "Hedge and Delivery Contracts, and also standards for Black leaf and stained cotton for Jarilla and Punjab growths" shall be substituted.

VIII. In By-law 151 for the words "subject to the discount for variety as provided in By-law 55A or By-law 52B as the case may be" the words "subject to the discount for the variety as provided in By-law 52B" shall be substituted.

IX. In the Hedge Schedule for the first two entries the following shall be substituted, namely:—

Descriptions	Tenderable upto	Places where cotton is pressed or grown.
1	2	3
"M.G. former Madhya Pradesh Jarilla 27/32" 25/32" staple, tenderable varieties being Jarilla, Virnar (197/3), Verum, M.P. Cambodia, Gaorani (Bani) H-420 and Jarilla cotton grown in Andhra State.		All places in the former Madhya Pradesh State and including Adilabad of former Hyderabad State.
M.G. Khandesh Jarilla 25/32" staple, 27/32" tenderable varieties being Virnar (197/3) and Jarilla cotton grown in the Bombay and Mysore States.		All places in Nasik, East & West Khandesh Districts (excluding Akkalkuwa and Nawapur (Tahukas), Sholapur and Poona Districts, Hingoli of the Bombay State and Bijapur district of the Mysore State.
M.G. Former Madhya Bharat 27/32" Jarilla 25/32" staple, tenderable varieties being Jarilla, Cambodia, Upland, Malvi, Bhoj cotton grown in former Madhya Bharat & Bhopal States.		All Places in the former Madhya Bharat and Bhopal States,

1

2

3

M.G. Moglai Jarilla 24/32* staple 25/32*
 (without tolerance).

All Places in the former Hyderabad State but excluding Adilabad and Hingoli and including Ahmednagar, Shevgaon, Belapur Vambhori, and Shrirampur of the Bombay State."

X. After the Hedge Schedule the following Note shall be inserted, namely:—

"Note: The amendments made to By-laws 53, 61 and 128, and By-law 85C as hereby inserted, shall apply to trading in the Hedge Contracts for May, June and August 1957 deliveries; the rest of the amendments shall apply to the aforesaid contracts for May and June 1957 deliveries only, and By-law 85C and the amendment made to By-law 128 shall apply to delivery contracts entered into after the date of this notification".

[F. No. 45-Exp(18)/56]

B. B. SAKSENA, Joint Secy.